EXHIBIT "E"

FHA FORM NO. 3278
For use by condominiums under Sections 221(i), 234 & 235 Revised Aug. 1969 (Previous revision obsolete)

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SOUTH PATRICK CONDOMINIUM APARTMENTS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION

REGULATORY AGREEMENT®

AGREEMENT dated this 7 % day of fully 1972, by and between SOUTH PATRICK CONDOMINIUM APARTMENTS INC. \*\*(hereinafter called the Association) whose address is 55 Sea Park Bouleyard, Sakellite Beach, Florida party of the first part, and K. Wayne Swiger Housing Commissioner (hereinafter called the Commissioner) acting pursuant to authority granted him by the National Housing Act, as amended, (hereinafter referred to as the Act) party of the second part.

MINITIAN HERE A sociation has the responsibility for administering the SOUTH PATRICK CONDO-Condominium and desires to aid members in obtaining financing for the purchase of family units in the condominium; and

WHEREAS, mortgagees may be unwilling to lend sums to the members of the Association without FHA mortgage insurance; and

WHEREAS, the Commissioner is unwilling to endorse notes for mortgage insurance pursuant to Section 234 of Title II of the Act unless and until the Association shall be entering into the covenants and agreements set forth below, consent to be regulated and restricted by the Commissioner as provided in the Act:

NOW, THEREFORE, in consideration of One Dollar (\$1.00) in hand paid, and other good and valuable considerations by each party to the other, the receipt of which is hereby acknowledged, and in order to induce the Commissioner to endorse for mortgage insurance the notes secured by mortgages covering family units in the condominium, and in order that the Association may be regulated and restricted by the Commissioner as provided for in the Act and the applicable Regulations, the parties hereto agree as follows: that whenever a Contract of Mortgage Insurance for a mortgage covering a family unit in the condominium is in effect, or during any period of time as the Commissioner shall be the owner, holder, or reinsurer of any mortgage covering a family unit in the condominium, or during any time the Commissioner is the owner of a family unit in the condominium or is obligated to insure a mortgage covering any family unit in the condominium:

- 1. The Association shall establish and maintain reserve fund for replacements by the allocation and payment monthly to such reserve fund an amount to be designated from time to time by the Commissioner. Such fund shall be deposited in a special account with a safe and responsible depository approved by the Commissioner and may be in the form of a cash deposit or invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve fund is for the purpose of effecting replacements of structural elements and mechanical equipment of the condominium and for such other purposes as may be agreed to in writing by the Commissioner. Disbursements from such fund may be made only after receiving the consent in writing of the Commissioner.
- 2. The Association shall establish and maintain a general operating reserve by allocation and payment thereto monthly of a sum equivalent to not less than 3 percent of the monthly assessments chargeable to the owners of family units in the condominium pursuant to the by-laws. Upon accrual in said General Operating Reserve Account of an amount equal to 15 percent of the current annual amount of assessments chargeable to the owners of family units in the condominium pursuant to the by-laws, the rate of such monthly allocations may, by appropriate action of the Association, be reduced from 3 percent to 2 percent provided, however, that in the event withdrawals from such account reduce it below said 15 percent accrual, the rate of such monthly deposits shall immediately be restored to 3 percent; at any time thereafter upon accrual in said General Operating Reserve Account of an amount equal to 25 percent of the current annual amount of assessments chargeable to the owners of family units in the condominium pursuant to the by-laws, such monthly deposits may, by appropriate action of the Association, be discontinued and no further deposits need be made into such General Operating Reserve so long as said 25 percent level is maintained and provided, further, that upon reduction of such reserve below said 25 percent level; monthly deposits shall forthwith be made at the 3 percent are until the 25 percent level is restored. This reserve shall remain in a special account and may be in the form of cash deposit or invested in obligations of, or fully guaranteed as to principal by, the United States of America, and shall at all time be under the control of the Association. This cumulative reserve is intended to provide a measure of financial stability during periods of special stress and may be used to meet deficiencies from time to time as a

To be attached to the recorded Plon of Apartment Ownership and to be executed and dated as of the date of recordation.
 Insert name of Association of Owners as designated in the By-Laws of the Condominium, or the name of the Corporation, if the Association is incorporated.

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result of delinquent payments of assessments by owners of family units in the condominium and other contingencies. Disbursements totalling in excess of 20 percent of the total balance in the reserve as of the close of the preceding annual period may not be made during any annual period without the consent of the Commissioner. Reimbursements shall be made to the account upon payment of delinquencies for which funds were withdrawn from the reserve.

- The Association will not employ a management agent for the buildings nor enter into a management contract nor undertake "self-management" unless the Commissioner has approved in writing the proposed management agent, form of management contract or other management arrangement.
- The Association shall not without prior approval of the Commissioner, given in writing, remodel, reconstruct, demolish or subtract from the premises constituting the condominium.
- 5. The Association shall not without prior approval of the Commissioner given in writing:
  - (a) amend or change the Plan of Apartment Ownership or the by-laws of the Association;
  - (b) fail to establish and maintain the Fund for Replacements and general operating reserve as set forth herein;
  - (c) fail to provide for the management of the condominium in a manner approved by the Commissioner;
  - (d) fail to keep in full force and effect an elevator contract satisfactory to the FHA covering the maintenance and replacement of parts of any elevator or related equipment, or, if such contract shall be allowed to expire, then fail to accrue an additional sum in such amount as shall be disgnated by the Commissioner to be sufficient to allow for deferred and future replacements as part of the annual Reserve for Replacement Fund collected by the Association so as to insure that Funds will be available for replacement of elevator parts and related equipment.
- The Association shall maintain the common areas and facilities, and each owner of a family unit shall
  maintain the family unit, in good repair and in such condition as will preserve the health and safety of
  the members.
- 7. The books, contracts, records, documents and papers of the Association and all of the property of the condominium shall be subject to inspection and examination by the Commissioner or his daily authorized agent at all reasonable times. The Association shall file with the Commissioner the following reports verified by the signature of such officers of the Association as may be designated and in such form as may be prescribed by the Commissioner.
  - (a) monthly operating reports, when required by the Commissioner;
  - (b) annual financial reports prepared by a certified public accountant or other person acceptable to the Commissioner, within sixty days after the end of each fiscal year;
  - (c) specific answers to questions upon which information is desired from time to time relative to the operation and condition of the property;
  - (d) copies of minutes of all owner's meetings certified to by the secretary of the Association within thirty days after such meetings, and when required by the Commissioner, copies of minutes of directors' meetings.
- 8. The Association shall establish and collect from owners of family units monthly assessments pursuant to the conditions set forth herein. Monthly assessments charged to owners during the initial occupancy period shall be made by the Association in accordance with a schedule of charges filed with and approved in writing by the Commissioner prior to the opening of the project for occupancy. Such assessment shall be in an amount sufficient to meet the FHA estimate of management expense, operating expense, and maintenance expense, reserves, and all other expenses of the Association. Subsequent to the initial occupancy period, assessments made by the Association for its accommodations shall be in accordance with a schedule filed with and approved in writing by the Commissioner and shall be in amounts sufficient to meet the Association's estimate of expenses set forth in an operating budget which shall be prepared and submitted to the FHA sixty days prior to the beginning of each fiscal year. The operating budget shall set forth the anticipated income of the Association and a sufficiently detailed estimate of expenses which will include separate estimates for administration expense, operating expense, maintenance expense, utilities, hazard insurance, replacement reserve and operating reserve. Such assessments shall not be changed except with the written approval of the Commissioner. The Association agrees that if at any time the owner of a family unit fails to pay his monthly assessment as provided in the by-laws, the Association will, upon direction of the Commissioner, initiate necessary legal action to collect the assessment.

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9. Upon a violation of any of the above provisions of this Agreement by the Association, or by any owner of a family unit, or upon the failure of the Association to abide by and carry out the provisions of the plan of Apartment Ownership and the By-Laws, the Commissioner may give written notice thereof to the Association or to the owner of a family unit, by registered or certified mail. If such violation is not corrected to the satisfaction of the Commissioner within 15 days after the date such notice is mailed or within such additional period of time as is set forth in the notice, without item rotice the Commissioner may declare a default under this Agreement and upon such default the Commissioner may:

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- (a) In the case of a default by the owner of a family unit:
  - (i) If the Commissioner holds the note of the defaulting owner = declare the whole of said indebtedness due and payable and then proceed with the foreclosure of the mortgage;
  - (ii) If said note is held by an FHA-insured mortgagee notify the mortgagee of such defoult, and the mortgagee, with the prior written consent of the Commissioner, may declare the whole indebtedness due, and thereupon proceed with the foreclosure of the mortgage, or assign the note and mortgage to the Commissioner as provided in the Regulations.
- (b) In the case of a default by the Association or by the owner of a family unit:

Apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of the Agreement, or for such other relief as may be appropriate, since the injury to the Commissioner arising from a default under any of the terms of this Agreement would be irreparable and the amount of damage would be difficult to ascertain.

- 10. The covenants and agreements herein set out shall be deemed to run with the land and the property described in the Plan of Apartment Ownership, and to bind all owners of family units, present and future.
- 11. As used in this Agreement the term:
  - (a) "Mortgage" shall include "Deed of Trust";
  - (b) "Note" shall include "Bond";
  - (c) "Mortgagee" shall include the "Beneficiary" under Mortgage or Deed of Trust however designated;
  - (d) "Default" means a default declared by the Commissioner when a violation of this Agreement is not corrected to his satisfaction within the time allowed by this Agreement or such further time as may be allowed by the Commissioner after written notice;
  - (e) "Plan of Apartment Ownership" shall include all legal documents, deeds, by-laws, plans and specifications, required by the laws of the jurisdiction to establish condominium ownership.

(The use of the plural shall include the singular; the singular the plural; and the use of any gender shall be deemed to include all genders.)

- 12. This instrument shall bind, and the benefits shall inure to, the respective parties hereto, their "gal representatives, executors, administrators, successors in office or interest, and assigns.
- 13. The invalidity of any clause,  $\mu$  art or provision of this agreement shall not affect the validity of the remaining portions thereof.
- 14. The Association agrees and assumes the obligation to have this Agreement recorded in the ar propriate land records in the jurisdiction in which the real property herein described is situated; and it the event of failure to do so, it is agreed that the Commissioner may have the same recorded at the express of the Association.
- 15. It is specifically agreed between the parties hereto that the breach of any of the terms of this Agreement by the Association or by an owner of a family unit will substantially damage and injure the Commissioner in the proper performance of his duties under the provisions of the Act, and will impre's and injure the proper operations intended under such Act; that such damage will be irrespective of and in addition to any damage to the security of the mortgaged premises or to any financial damage the Commissioner was suffer as insurer; that, except for the agreements herein contained, the Commissioner would not issue and would not be authorized to issue a Contract of Mortgage Insurance, and that mortgages may not be willing to lend sums of money to owners of the family units.

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IN WITNESS WHEREOF the parties hereto have duly executed this Agreement the day and year first above written.

ASSOCIATION OF OWNERS OF CONDOMINIUM APARTMENTS, INC., a Non-Ingrift Floriday Corporation

Notary Public

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## ACKNOWLEDGEMENT OF FEDERAL HOUSING COMMISSIONER

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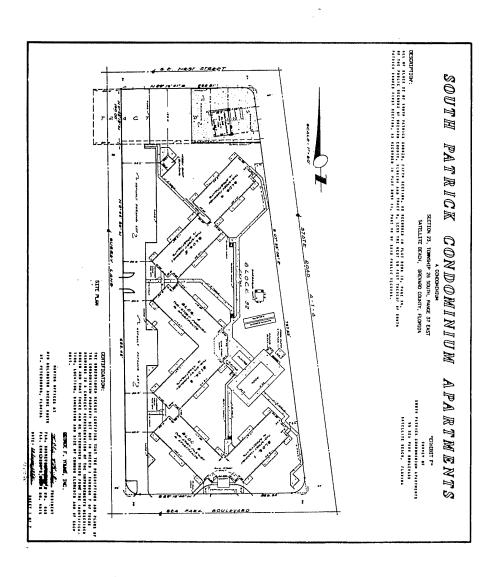
STATE OF FLORIDA

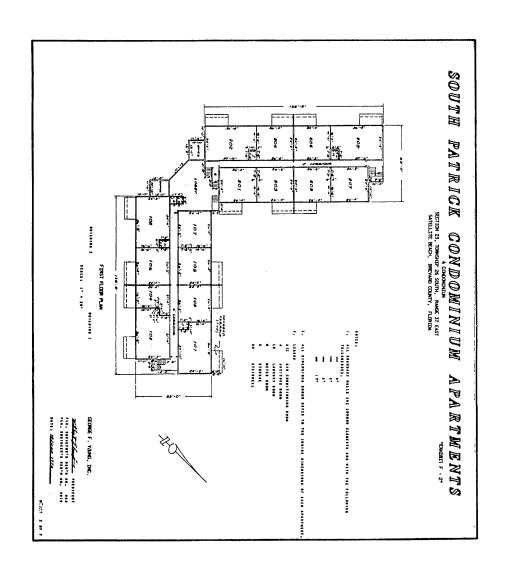
COUNTY OF HILLSBOROUGH

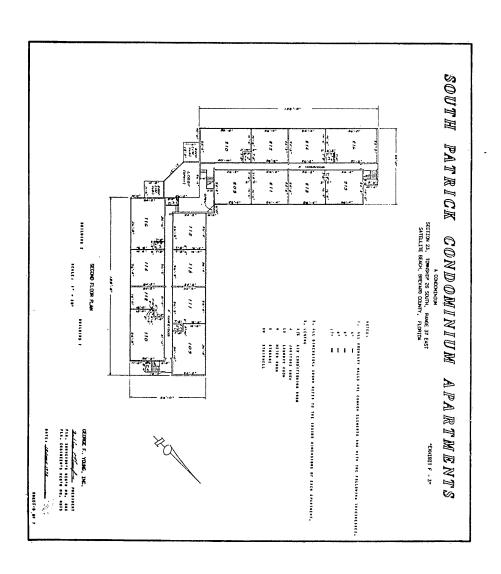
I, MPR F. Dodgens, a Notary Public in and for said
County and State aforesaid, do hereby certify that K. Wayne Swiger, known
to me to be the person who, being duly sworn, did say that he is the duly
Authorized Agent and the person who executed the foregoing Regulatory
Agreement by virtue of the authority vested in him by 2h C.F.R. 200.96 and
acknowledged the same to be his free and voluntary act and deed as Authorized
Agent for and on behalf of the Federal Housing Commissioner.

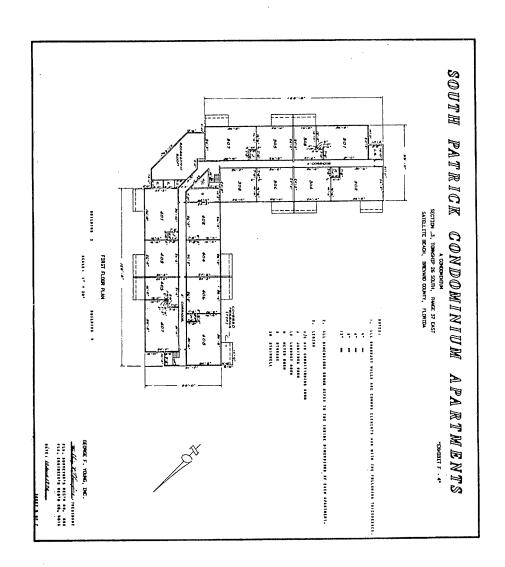
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
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My Commission Expires May 11, 1974

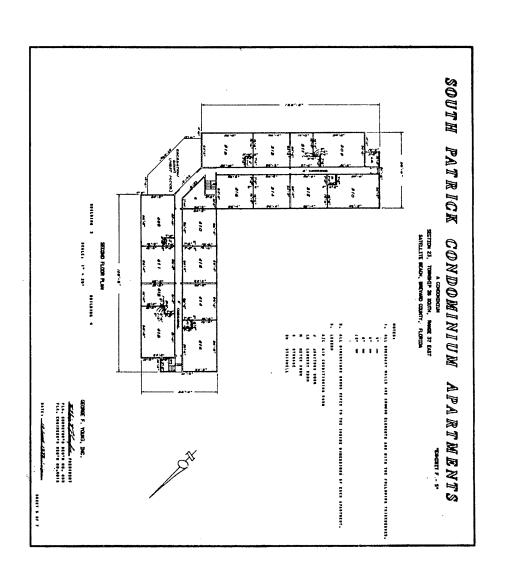
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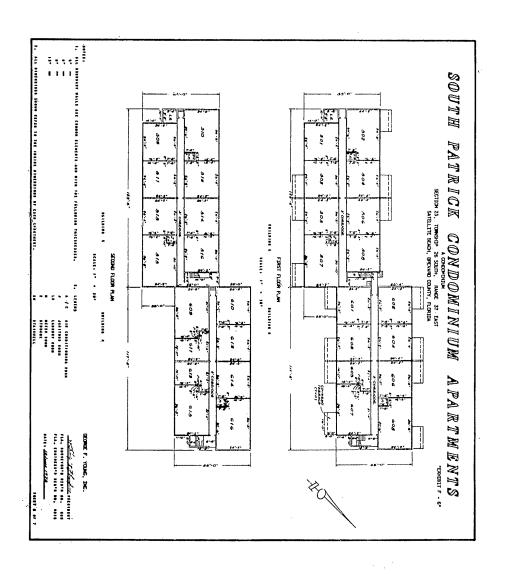




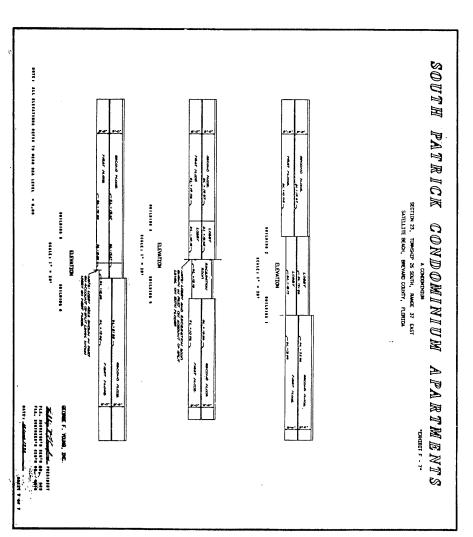








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